

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: March 18, 2014
Request for Final Resolution and
Request for Tax-Exempt Bond Allocation Approval

Prepared by: *Andrea Gonzalez*

Applicant:	Arakelian Enterprises, Inc. dba Athens Services	Final Resolution	
Project Location:	Los Angeles County, San Bernardino County	Amount Requested:	\$138,525,000
		Allocation Amount	
		Requested:	\$55,000,000
		Application No.:	869
		Final Resolution No.:	531
		Prior Actions for New Debt:	IR 13-05 Approved 07/16/2013

Summary. Arakelian Enterprises, Inc. dba Athens Services (the “Company”) requests approval of a Final Resolution to issue revenue notes for an amount not to exceed \$138,525,000 and Volume Cap Allocation for an amount not to exceed \$55,000,000 to:

- 1) refund four Solid Waste Disposal Revenue Bonds previously issued by CPCFA;
- 2) finance the acquisition of equipment for use at fifteen waste processing sites located in San Bernardino County; as well as various improvements to additional sites located in Los Angeles County, and
- 3) pay certain costs of issuance.

Borrower. The Company was incorporated on February 28, 1991 in California and is owned by the Arakelian family. The Company provides organic waste composting, residential and commercial solid waste collection, transfer and material recovery, special waste transportation, disposal services and hauling in areas throughout San Bernardino, Los Angeles and Riverside Counties.

The principal stockholders of the Company are as follows:

Ron Arakelian, Jr.	36%
Michael Arakelian	50%
Ron Arakelian III	11%
Various (less than 3% each)	<u>3%</u>
Total:	<u>100%</u>

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed in the Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

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TEFRA. The TEFRA hearings were held on November 14, 2013 and March 13, 2014. There were no comments received in support of or in opposition to this Project.

Fees. The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$70,000 at closing for the new debt portion of the request (\$55,000,000). The Applicant will pay the Authority's actual costs, including but not limited to applicable Issuer's Counsel fees, Agent for Sale fees and staff costs for the refunding portion of the transaction, in lieu of CPCFA's usual refunding fee, and per Section 8.12(a) of the Loan Agreement.

SBAF Contribution. The Applicant is a large business; however the SBAF fee for large businesses is temporarily waived until June 30, 2015 pursuant to Title 4, Section 8035(e) of CPCFA regulations (4 CCR §8035(e)).

Prior Financings. Prior financings are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 03/18/2014	Application No.
Athens Disposal Company, Inc. Series 1995A	11/17/95	\$25,000,000	\$7,500,000	558
Athens Disposal Company, Inc. Series 1999A	08/31/99	\$13,500,000	\$6,220,000	636
Athens Services Series 2001A	05/10/01	\$15,780,000	\$9,240,000	677
Athens Services Series 2006A	07/27/06	\$22,400,000	\$0	757
Athens Services Series 2010	10/06/10	<u>\$60,565,000</u>	<u>\$60,565,000</u>	757
TOTALS:		<u>\$137,245,000</u>	<u>\$83,525,000</u>	

Project Description. The Company intends to finance a new money project and refund four bonds previously issued by CPCFA. The total principal amount of the notes will be \$138,525,000, of which \$55,000,000 will be new debt using Volume Cap Allocation.

The new issue money will be used by the Company to equip fifteen waste processing sites including both landfills and transfer stations located throughout San Bernardino County. On July 1, 2013, the Company began to acquire rolling stock and "yellow iron" to be used in the various waste processing sites. The Project includes the purchase of equipment such as bulldozers, tractors, transfer trailers, loaders, earth and moving compacting machinery and various related equipment utilized to process waste.

The Project also consists of improvements to six additional waste processing sites and the acquisition of one building located in Los Angeles County. These improvements include MRF upgrades, CNG fueling stations, site and building improvement, various related equipment and potential infrastructure improvements necessary to comply with permitting requirements.

At the time the application was submitted, the anticipated Project and issuance costs for the new debt were estimated to be as listed below:

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Acquisition of Land and Existing Buildings	\$4,200,000
Site Preparation	6,300,000
Construction of New Building(s)	6,490,517
Acquisition and Installation of New Equipment	37,000,000
Bond Issuance Expenses	669,113
Administrative Bank Fee	<u>340,370</u>
Total New Debt Amount	<u>\$55,000,000</u>

Note: The Project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

Anticipated Timeline. The Borrower will be reimbursed at closing for heavy equipment and rolling stock placed into service in July 2013 at the Colton Sanitary Landfill in San Bernardino County. Construction of new buildings, site and building improvements, and of CNG fueling systems are expected to be completed in late 2014. Acquisition of rolling stock and containers are expected to be placed into service by June 2015. Thus, all components of the Project are expected to be completed by June 2015.

Local Government. A letter of support was received from John Davidson, City Manager, City of Irwindale (see Attachment A).

Pollution Control and/or Environmental Benefits. The Company represents the Project will generate the pollution control and environmental benefits described below.

Safety and Compliance. Compliance with all applicable state and federal environmental regulations regarding solid waste disposal will result with the implementation of the project. It is important to note that the United States Resource Conservation and Recovery Act (RCRA) and the California Integrated Waste Management Act of 1989 (AB 939) mandate the need to minimize the amount of material landfilled and maximize recycling opportunities, both of which the project will achieve.

Air Quality. The Company will be purchasing new CNG fueled waste collection vehicles, thereby reducing particulate matter from the air that is associated with diesel fueled vehicles. Additionally, the new transfer tractors operate at an increased efficiency compared to those currently on the road.

Water Quality. The CNG fueled vehicles will create less particulate matter as compared to existing diesel vehicles which will reduce the pollution that may end up in area creek beds and streams.

Energy Efficiency. CNG is primarily a domestically produced product that will reduce reliance on foreign oil.

Recycling of Commodities. The Company will recycle all recyclable materials delivered to its facilities including, but not limited to, paper, glass, aluminum, plastic among others and the project equipment is anticipated to increase the volume of such material recycled.

Jobs. This project will create approximately 110 new full time jobs for Athens Services.

Tax Revenues. The Company anticipates the project will generate approximately \$500,000 annually in payroll taxes, state and federal; as well as estimated tax revenue of \$2,500,000 in sales tax.

Permitting and Environmental Approvals. The Applicant has provided the Authority with copies of all required Solid Waste Facility Permits, Conditional Use Permits and Notices of Determination where appropriate for the project sites as required.

Financing Details. The Company anticipates a private placement financing structure with the following banks each to acquire a portion of the Notes: Wells Fargo Bank, National Association (55%), Bank of the West (20%), and Union Bank, National Association (25%), each a Qualified Institutional Buyer (QIB as defined in SEC Rule 144 of the Securities Act of 1933). Wells Fargo Bank, National Association, will serve as administrative agent. Consistent with industry practices and prior CPCFA private placements, the Notes will have features consistent with the banks' treatment of these Notes as loans: no CUSIP numbers, physical delivery of Notes (i.e. no book entry), no ratings, no official statement, large denominations, and transfer restrictions.

The Company is refunding a series of its prior bonds from 2010 in the amount of \$40 million which were issued under special provisions of the federal American Recovery and Renewal Act as bearing interest exempt from Alternative Minimum Tax ("non-AMT"). (The normal federal tax rule is for the interest on private activity bonds such as CPCFA's bonds to be subject to AMT.) In order to retain the non-AMT status on 2014 refunding Notes, a separate series must be issued and sold with a separate Note Purchase Contract signed at least 15 days before or after the Note Purchase Contract for the AMT Notes. The non-AMT notes are designated as A-2, B-2 and C-2 (one subseries to be purchased by each bank in its respective proportion described above).

The remainder of the Notes, to be subject to AMT, will be in the total amount of \$98,525,000, of which \$55 million (or 55.6%) will be new money and the balance (about 44.4%) will refund the rest of the Company's outstanding Bonds. These will be the A-1, B-1, and C-1 Notes. The new money portion of these Notes will be advanced in installments as the Company requires funds for its projects. The draw-down of funds is expected to be completed by approximately June 2015 or within 15 months of the Note closing on April 2 (but could be done sooner or longer). Bond Counsel has advised that under the draw-down structure, the full amount of Volume Cap allocated to the Notes will be treated as "used" upon the initial closing.

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To accomplish this financing plan, the Company, the Authority, the Banks and the State Treasurer plan to sign a Note Purchase Contract for the Series A-2, B-2 and C-2 Notes immediately following the Authority meeting on March 18, and will sign the Note Purchase Contract for the other set of Notes on April 2, 15 days later, to comply with the tax requirement to allow the first set of Notes to retain non-AMT interest.

The purchase of the Notes is set forth below:

- Wells Fargo Bank, National Association: Series 2014 A-1, amount not to exceed \$54,190,000 and Series 2014 A-2 refunding note in the amount not to exceed \$22,000,000.
- Bank of the West: Series 2014 B-1 amount not to exceed \$19,705,000 and Series 2014 B-2 refunding note in the amount not to exceed \$8,000,000.
- Union Bank, National Association: Series 2014 C-1 amount not to exceed \$24,630,000 and Series 2014 C-2 refunding note in the amount not to exceed \$10,000,000.

The Notes will be transferrable in whole by each Bank to either an Affiliate (as defined in the Loan Agreement) of the Bank, to one of the other two banks, or, upon delivery of a letter of representation, a QIB. Each Bank will deliver to the Authority a sophisticated investor letter. The target date for financing is April 2, 2014.

Financing Team.

Private Placement Purchasers: Wells Fargo Bank, National Association; Bank of the West; and Union Bank, National Association

Purchaser's Counsel: Chapman & Cutler LLP

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Final Resolution No. 531 for an amount not to exceed \$138,525,000 and Volume Cap Allocation Resolution No. 11-169-02 for an amount not to exceed \$55,000,000 for Arakelian Enterprises, Inc. dba Athens Services and/or its Affiliates.



October 29, 2013

Ms. René Webster-Hawkins
Executive Director
California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814

RE: California Pollution Control Financing Authority, Exempt Facility Approvals
Athens Services Project

Dear Ms. Webster- Hawkins:

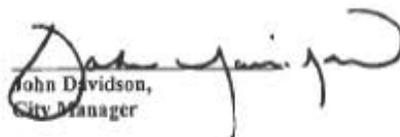
I write to you today on behalf of Athens Services relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in November.

My staff and I have worked with the management of Athens Services over the last few years in their development and permitting of the proposed project and they now are ready for final approval of the financing. I understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, that CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

We and Athens Services agree that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Irwindale I would appreciate it if you would approve the Athens Services Project at your meeting in November. Thank you.

Sincerely,


John Davidson,
City Manager



**FINAL NOTE RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING AND REFINANCING OF SOLID WASTE DISPOSAL
FACILITIES AND EQUIPMENT
FOR ARAKELIAN ENTERPRISES, INC. d.b.a. ATHENS SERVICES
AND/OR ITS AFFILIATES**

March 18, 2014

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Arakelian Enterprises, Inc. d.b.a. Athens Services, a California corporation (the “Borrower”), for financial assistance to finance or refinance the acquisition, construction, renovation and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing and disposal of solid waste, located in Los Angeles and San Bernardino Counties, and all as more particularly described in the Term Sheet (the “Term Sheet”) attached hereto as Exhibit A and incorporated herein (the “New Project”); and

WHEREAS, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Disposal Company, Inc. Project) Series 1995A (the “1995 Prior Bonds”), its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Disposal Company, Inc. Project) Series 1999A (the “1999 Prior Bonds”), its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Services Project) Series 2001A (the “2001 Prior Bonds”) and its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Services Project) Series 2010 (the “2010 Prior Bonds” and together with the 1995 Prior Bonds, the 1999 Prior Bonds and the 2001 Prior Bonds, the “Prior Bonds”); and

WHEREAS, the Borrower now wishes to refund the Prior Bonds; which were used to finance or refinance the acquisition, construction, renovation, and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing and disposal of solid waste, as more particularly described in the Term Sheet (the “Prior Project,” and together with the New Project, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$138,525,000 to assist in the financing of the Project and the refunding of the Prior Bonds; and

WHEREAS, the proceeds of such revenue notes will be loaned to the Borrower, under a loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue notes and certain documents relating to such revenue notes and revenue refunding Notes is now sought; and

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the New Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Athens Services Project), 2014 Series A-1, 2014 Series B-1 and 2014 Series C-1” (the “AMT Notes”) and “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Athens Services Project), 2014 Series A-2, 2014 Series B-2 and 2014 Series C-2” (the “Non-AMT Notes” and together with the AMT Notes, the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$138,525,000 are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax exempt or taxable mode, in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to make a loan to the Borrower to finance and/or refinance the Project (including without limitation, reimbursing the Borrower for costs incurred for the New Project prior to the issuance of the Notes) and to pay a portion of the costs of issuance of the Notes.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Notes, at one time or from time to time on or before December 31, 2014, by negotiated sale, at such price, at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine, such determination to be as set forth in the herinafter referred to Purchase Agreements.

Section 4. The following documents:

- i. a Loan Agreement relating to the Notes between the Authority and the Borrower (the “Loan Agreement”);
- ii. an Indenture relating to the Notes (the “Indenture”), between the Authority and the trustee named in the Term Sheet (the “Trustee”);
- iii. a note purchase agreement relating to the AMT Notes among the Authority, the Treasurer of the State of California and the purchasers named in the Term Sheet (the “Purchasers”), and approved by the Borrower, (the “AMT Notes Purchase Agreement”); and
- iv. a note purchase agreement relating to the Non-AMT Notes among the Authority, the Treasurer of the State of California and the Purchasers,

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and approved by the Borrower, (the “Non-AMT Notes Purchase Agreement” and together with the AMT Notes Purchase Agreement, the “Purchase Agreements”).

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Agreements.

Section 5. The Authority understands and agrees that pursuant to the terms of the Loan Agreement the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity or by Affiliates of such Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 6. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of each series of the Notes shall be as provided in the Indenture, as finally executed.

Section 7. The Notes shall be executed by the manual or facsimile signature of the Chairman or any Deputy to the Chairman and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Notes, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Notes by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Notes, when duly executed and authenticated, to the Purchasers, respectively, in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Notes to the respective Purchasers, upon payment of the purchase price thereof.

Section 8. The Authority hereby dedicates and confirms its allocation to the Notes of \$55,000,000 of a portion of the 2011 State Ceiling on qualified private activity notes as previously received, carried forward or to be received from the California Debt Limit Allocation Committee to finance and/or refinance certain costs of the Project and to pay certain costs of issuance of the Notes, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes.

Section 9. Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Notes, and otherwise to effectuate

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the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Agreements. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications and one or more tax certificates.

Section 10. The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 21, 2014, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 11. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 12. This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this Resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue: California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (Athens Services Project), 2014 Series A-1, 2014 Series A-2, 2014 Series B-1, 2014 Series B-2, 2014 Series C-1 and 2014 Series C-2 (the “Notes”)

Maximum Amount of Issue: \$138,525,000

Issuer: California Pollution Control Financing Authority (the “Authority”), Sacramento, CA

Borrower: Arakelian Enterprises, Inc. d.b.a. Athens Services

Trustee: The Bank of New York Mellon Trust Company, N.A.

Underwriter: Not applicable

Purchasers: Wells Fargo Bank, National Association, as purchaser of the 2014 Series A-1 and 2014 Series A-2 CPCFA Notes (55% of the total);
Bank of the West, as purchaser of the 2014 Series B-1 and 2014 Series B-2 CPCFA Notes (20% of the total); and
Union Bank, National Association, as purchaser of the 2014 Series C-1 and 2014 Series C-2 CPCFA Notes (25% of the total).

Note Counsel: Orrick, Herrington & Sutcliffe LLP, San Francisco, CA

Remarketing Agent: Not applicable

New Project: A portion of such Note proceeds is intended to finance the following projects in the County of Los Angeles:

Finance the acquisition, construction,

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improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment, including compressed natural gas fueling stations, material recovery facility upgrades, and public infrastructure improvements at: (a) 14048, 14037, 14045, 14051, 14055, 14103, 14121 Valley Boulevard, City of Industry; (b) 15019 & 15045 Salt Lake Avenue, City of Industry; (c) 5355 North Vincent Avenue, Irwindale; (d) 11121 Pendleton Street, Los Angeles; (e) 1301 W. 228th Street, Torrance; and (f) 12303 & 12355 Montague Street, Pacoima. The public infrastructure improvements may be located adjacent to, or in the vicinity of, the above addresses.

A portion of such Note proceeds is intended to finance the following projects in the County of Riverside:

Finance the acquisition of solid waste vehicles, including bulldozers, loaders, earth moving and compacting machinery, tractors, transfer trailers and related equipment to be located at one or more of the following locations: (a) Barstow Landfill, 32553 Barstow Road, Barstow; (b) Baker Transfer Station, South Side of Kelbaker Road, Baker; (c) Newberry Springs Transfer Station, 30550 Poniente Drive, Newberry Springs; (d) Landers Landfill, 59200 Winter Road, Landers; (e) Big Bear Transfer Station, 38550 Holcomb Valley Road, Big Bear; (f) Phelan Transfer Station (Sheep Creek) 10130 Buckwheat Road, Phelan; (g) Mid-Valley Landfill, 2390 North Alder Avenue, Rialto; (h) Heaps Peak Transfer Station, 29898 State Highway 18, Running Springs; (i) Trona-Argus Transfer Station, 83000 First Street, Trona; (j) San Timoteo Landfill, 31 Refuse Road, Redlands; (k) Camp Rock Transfer Station, 29805 Squaw Bush Road, Lucerne Valley; (l) 29 Palm Transfer Station, 7501 Pinto Mountain Road, Twentynine Palms; (m) Victorville Landfill, 18600 Stoddard Wells Road, Victorville; (n) Morongo Valley Transfer

Station (Trails End), 10780 Malibu Trail, Morongo Valley; and (o) Colton Sanitary Landfill, 850 Tropica Rancho Road, Colton.

Prior Project

A portion of such Refunding Note proceeds will refund a prior series of the Authority's revenue bonds issued in November, 1995 (the "1995 Prior Bonds").

The 1995 Prior Bonds were used to finance costs of equipment and land acquisition, installation, construction, reconstruction, improvements, relocating, equipping or other costs related to solid waste disposal/resource recovery facilities, together with the costs of functionally related and subordinate facilities. Such costs include but are not limited to the following: development costs, financing fees, working capital, building, tip floors, scales, site improvement foundations, permits, process equipment and rolling stock. All of the facilities and equipment financed with the 1995 Prior Bonds either (i) were located at 14048 Valley Boulevard adjacent to the City of Industry, 14103 Proctor Avenue, 14121 Proctor Avenue and 14131 Proctor Avenue, City of Industry, or 1631/1643 San Bernardino Road, West Covina, all in Los Angeles County, California, or (ii) were used in connection with the solid waste disposal operations undertaken at the foregoing locations.

A portion of such Refunding Note proceeds will refund a prior series of the Authority's revenue bonds issued in August, 1999 (the "1999 Prior Bonds").

The 1999 Prior Bonds were used to finance the acquisition of land and rolling stock, containers and other equipment to be used in the collection, hauling, transferring and disposal of solid waste. Such equipment was located at some or all of the following locations: (1) 1631-1643 San Bernardino Road, in West Covina, (2) 113 S. 5th Street, in the City of

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Industry, (3) 14120 Valley Boulevard, in the City of Industry, (4) 137-161 S. 5th Street, in an unincorporated area known as La Puente, (5) 15045 Salt Lake Avenue, in an unincorporated area known as La Puente, (6) 14255-214317 Lomitas Avenue, in an unincorporated area known as La Puente, (7) 4702 Azusa Canyon Road, in Irwindale, (8) 1030 West Gladstone Street, in Azusa, (9) 14048 Valley Boulevard, City of Industry, and (10) at the Northeast and Northwest corners of Buena Vista Street and Bateman Avenue (Parcel Map #21118, Book 22, Page 7), in Irwindale, all in Los Angeles County, California.

A portion of such Refunding Note proceeds will refund a prior series of the Authority's revenue bonds issued in May, 2001 (the "2001 Prior Bonds").

The 2001 Prior Bonds were used to finance the expansion of an existing materials recovery facility (MRF) located in the City of Industry, CA and to purchase new trucks, waste containers and other equipment to facilitate automating waste collection in the cities of Montebello, Monterey Park and Glendora and other possible locations in Los Angeles County. The project site, including the primary location for the rolling stock, is located at 14048 Valley Blvd., City of Industry, CA 91746.

A portion of such Refunding Note proceeds will refund a prior series of the Authority's revenue bonds issued in October, 2010 (the "2010 Prior Bonds").

A portion of such 2010 Prior Bonds were used or will be used to finance and refinance the following projects in the County of Los Angeles:

- (1) expansion, improvements to and equipping of a solid waste processing facility, including traffic mitigation measures, located at 14048 Valley

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Boulevard, City of Industry and adjacent parcels at 14037 - 14131 Proctor Avenue, City of Industry.

(2) land acquisition and/or construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the storage and maintenance of solid waste collection vehicles and related equipment, to be located at: ((a) 15019 and 15045 Salt Lake Avenue, City of Industry, (b) 900 South Avenue, Montebello, (c) 127 Van Norman Avenue, Montebello, (d) 12221 Lopez Canyon, Sylmar, and (e) 5355 North Vincent Avenue, Irwindale.

(3) construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the processing of solid waste and the storage and maintenance of solid waste collection vehicles and related equipment, to be located at 11121 Pendleton Street, Los Angeles.

(4) acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in items (1) and (2) above and at: (a) 15045 Salt Lake Avenue, City of Industry, (b) 900 South Maple Avenue, Montebello, (c) 127 Van Norman Avenue, Montebello, (d) 12221 Lopez Canyon, Sylmar, (e) 11266 Peoria Street, Los Angeles, and (f) 113 South 5th Street, City of Industry.

(5) acquisition of solid waste carts, bins and containers.

A portion of such 2010 Prior Bonds proceeds were or will be used used to finance the following projects in the County of San

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Bernardino:

(1) construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the processing of solid waste and the storage and maintenance of solid waste collection vehicles and related equipment, to be located at 20055 Shay Road, Victorville.

(2) acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the location listed in item (1) above.

(3) acquisition of solid waste carts, bins and containers.

A portion of the 2010 Prior Bonds were used or will be used to finance and refinance the acquisition of solid waste vehicles, carts, bins, containers and other equipment to be located at 687 Iowa Avenue, Riverside in Riverside County.

Maximum Note Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale; private placement
Description of Minimum Denominations:	\$250,000 or any integral multiple of \$5,000 in excess thereof while in index interest rate mode
Financing Structure:	Index interest rate notes; convertible to term interest rate, or weekly variable rate with tender option pursuant to the Indenture; transferable in whole by Purchasers to either an affiliate of the Purchasers, to one of the other Purchasers or, upon delivery of a purchaser letter, a "Qualified Institutional Buyer", as defined in Rule 144A of the Securities Act of 1933.
Maximum Interest Rate:	12% except after Event of Default or Event of Taxability while in Index Interest Rate Period
Letter of Credit:	Not applicable

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Other Credit Enhancement:	Not applicable
Anticipated Note Rating:	Unrated
Type of Financing:	Solid waste disposal revenue notes
Prepared by:	Tony Cone, (925) 472-8750

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 11-169-02

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2011 STATE
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Arakelian Enterprises, Inc. dba Athens Services and/or their Affiliates (“Project Sponsor”) for approval of the issuance of revenue notes; and

WHEREAS, on March 18, 2014, CPCFA approved Final Resolution No. 531 (“Final Resolution”) authorizing the issuance of up to \$55,000,000 of its solid waste disposal revenue notes (Athens Services Project) Series 2014 (“Notes”); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2011 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2011 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Notes as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$55,000,000 is hereby dedicated to the issuance of the Notes. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Notes for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Notes, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Notes must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Notes for the Project have been issued by CPCFA by the close of business on **June 18, 2014**. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to thirty (30) business days.

Section 5. Within twenty-four (24) hours of issuing the Notes, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Notes have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Notes issued.

Section 6. Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Notes by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. Any differences between the amount of Notes issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

Section 8. In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Notes. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 9. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

Section 10. This Resolution shall take effect immediately upon its adoption.

**RESOLUTION NO. 11-169-02
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A**

1. Project Sponsor: Arakelian Enterprises, Inc. dba Athens Services and/or its Affiliates
2. Application #: 869
3. Project User: Arakelian Enterprises, Inc. dba Athens Services and/or its Affiliates
4. Project Name: Athens Services
5. Location:

Barstow Landfill 32553 Barstow Road Barstow, CA 92311	Baker Transfer Station South Side of Kelbaker Road Baker, CA 92309	Newberry Springs Transfer Station 30550 Poniente Drive Newberry Springs, CA 92365
Landers Landfill 59200 Winter Road Landers, CA 92285	Big Bear Transfer Station 38550 Holcomb Valley Road Big Bear, CA 92314	Phelan Transfer Station (Sheep Creek) 10130 Buckwheat Road Phelan, CA 92371
Mid-Valley Landfill 2390 North Alder Avenue Rialto, CA 92377	Heaps Peak Transfer Station 29898 State Highway 18 Running Springs, CA 92382	Trona-Argus Transfer Station 83000 First Street Trona, CA 93562
San Timoteo Landfill 31 Refuse Road Redlands, CA 92373	Camp Rock Transfer Station 29805 Squaw Bush Road Lucerne Valley, CA 92356	29 Palm Transfer Station 7501 Pinto Mountain Road Twentynine Palms, CA 92278
Victorville Landfill 18600 Stoddard Wells Road Victorville, CA 92394	Morongo Valley Transfer Station (Trails End) 10780 Malibu Trail Morongo Valley, CA 92256	14048, 14037, 14045, 14051, 14055, 14103, 14121 Valley Blvd. City of Industry, CA 91746
11121 Pendleton Street (MRF) Los Angeles, CA 91352	5355 North Vincent Avenue (Corporate Yard) Irwindale, CA 91706	Colton Sanitary Landfill 850 Tropica Rancho Road Colton, CA 92324
15019 and 15045 Salt Lake Avenue (Corporate Yard) City of Industry, CA 91746	12303and 12355 Montague Street (Corporate Yard) Pacoima, CA 91331	1301 W. 228 th Street (Corporate Yard) Torrance, Ca 90501

Agenda Item 4.A.1.

6. Private Placement Purchaser: Wells Fargo, National Association; Bank of the West; and Union Bank, National Association
7. Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$55,000,000